

~~CONFIDENTIAL~~ ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Request for Review ) CC Docket No. 96-45  
of the Decision of the )  
Universal Service Administrator by ) CC Docket No. 97-21  
MasterMind Internet Services, Inc. )

**REQUEST FOR REVIEW**

MasterMind Internet Services, Inc. ("MasterMind") submits its Request for Review of the Decision of the Universal Service Administrator ("Request for Review"), seeking review of the decisions of the School and Libraries Division ("SLD") of the Universal Service Administrative Company ("Administrator") to deny the applications of school districts in the State of Oklahoma for discounts for Internet and non-telecommunications services under 116 contracts with MasterMind.

**A. Statement of Interest**

1. MasterMind provides Internet and non-telecommunications services to various school districts in the State of Oklahoma. For the past three years, MasterMind has provided eligible internet and non-telecommunications services to school districts participating in the Schools and Libraries Universal Service Program established as part of the Federal Telecommunications Act of 1996 to provide affordable access to telecommunications services for eligible schools and libraries. MasterMind was the contracted service provider for over 300

school districts that had applied with the SLD for supported eligible services. SLD denied funding for 116 applications of these school districts which allegedly violated the “intent of the bidding process,” apparently because Chris Webber, an employee of MasterMind, was listed as the contact person by these school districts on the bidding documents submitted in the funding process. In support of this Request for Review, MasterMind submits the affidavit of Chris Webber, attached as Exhibit A (“Webber Affidavit”). A list of the impacted school districts (“School Districts”) is attached as Exhibit A-1 to the Webber Affidavit.<sup>1</sup> MasterMind challenges the SLD’s denial of such funding on the 116 applications pursuant to 47 C.F.R. §§ 54.719 and 54.722, and respectfully requests appropriate relief from the Federal Communications Commission (“FCC”) to overturn the decision of the SLD.

**B. Statement of Material Facts**

1. Chris Webber is the director of E-Rate Services for MasterMind. Webber Affidavit, para. 1.

2. MasterMind has provided for the past three years Internet and non-telecommunications services to numerous school districts in the State of Oklahoma under the universal service program of the Federal Telecommunications Act. Webber Affidavit, para. 2.

3. Starting on December 1st, 1998 and ending on March 9th, 1999, MasterMind assisted the School Districts listed on Exhibit A-1 to the Webber Affidavit in their filing of FCC

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<sup>1</sup>Exhibit A sets forth the school districts, application numbers, and the services ordered. This document includes the list of school districts which were denied funding by SLD for both non-telecommunication services and telecommunication services to be provided by MasterMind. MasterMind seeks review in this proceeding of the denial for discounts on eligible non-telecommunication services. The telecommunication services listed are addressed in a companion Request for Review brought by MasterMind.

“Form 470” with the SLD. Chris Webber was listed as a contact person on the Form 470s. Webber Affidavit, para. 3.

4. At no time did anyone at MasterMind either sign the Form 470 or complete the Form 470 for the School Districts listed on Exhibit A-1 of the Webber Affidavit. Webber Affidavit, para. 4.

5. In January of 1999, after the Form 470s were filed by the School Districts, SLD sent to the School Districts a “Receipt Acknowledgement Letter” that stated among other things, that the SLD had received “your properly completed FCC Form 470.” A sample letter received by all of the School Districts from the SLD is attached to the Webber Affidavit as Exhibit A-2. Webber Affidavit, para. 5.

6. Between April 1<sup>st</sup> and April 6<sup>th</sup>, 1999, MasterMind entered into approximately 300 contracts with school districts in the State of Oklahoma, including the School Districts listed on Exhibit A-1 to the Webber Affidavit, to provide E-rate eligible telecommunication and non-telecommunication services and products. Webber Affidavit, para. 6.

7. Upon execution of the contracts with MasterMind, the School Districts submitted to the SLD the FCC “Form 471” for approval of the funding for eligible services provided by MasterMind. The deadline for submitting the Form 471s to the SLD was April 6, 1999. Webber Affidavit, para. 7.

8. At no time did anyone at MasterMind either sign the Form 471, or complete the Form 471 for the School Districts. Webber Affidavit, para. 8.

9. On October 26, 1999, SLD notified the School Districts that the 116 applications for the funding of discounted eligible services provided by MasterMind had been denied for the stated reason: "The circumstances surrounding the filing of form 470 violated the intent of the competitive bidding process." A sample copy of the denial notice sent to all of the School Districts is attached as Exhibit A-3 to the Webber Affidavit. Webber Affidavit, para. 9.

10. Based upon a conversation between Chris Webber and David Gorbanoff of the program integrity team of SLD, in early September, 1999, Chris Webber was led to believe that the reason for the denial of funding was because his name was listed as a contact person on the Form 470. Webber Affidavit, para. 10.

11. On September 16<sup>th</sup> through September 17<sup>th</sup>, 1999, Chris Webber attended a vendor training session sponsored by SLD in Chicago, Illinois. At this training session, he received a draft SLD publication entitled "Form 470 Pitfalls." A copy of this draft publication is attached as Exhibit A-4 to the Webber Affidavit. Webber Affidavit, para. 11.

12. On November 11, 1999, SLD posted on its web site a document entitled "Pitfalls to Avoid When Filing the Form 470." Webber Affidavit, para. 12.

13. Further clarification of SLD's position was provided by Kate Moore, President of the Schools and Libraries Division, and Ellen Wolfhagen, General Counsel of the Schools and Libraries Division on November 19th, 1999 in a meeting in Washington, D.C. with Senator Jim Inhofe's office, a summary of which is attached as Exhibit A-5 to the Webber Affidavit. Webber Affidavit, para. 13.

14. MasterMind did not have a pre-existing contractual relationship with all of the School Districts. Webber Affidavit, para. 14.

15. MasterMind is not seeking a review of the applications in which it signed any Form 470s. Webber Affidavit, para. 15.

16. MasterMind did not provide identical requests for proposal documents. Webber Affidavit, para. 16.

17. MasterMind was never informed by SLD of any of the alleged problems with the submitted Form 470s as set forth in Exhibit A-5. Webber Affidavit, para. 17.

18. At no time during the bidding process was a vendor denied a request for proposal (“RFP”) or any other requested information or access to any of the School Districts. Webber Affidavit, para. 18.

**C. Question Presented for Review**

1. The SLD denied 116 applications of the School Districts alleging only that the “intent” of the competitive bidding process was violated. MasterMind submits that the funding denial is arbitrary and not supported by any statute or FCC rule, or even any publication or SLD policy. Even if one could understand how violating the intent of the bidding process justified SLD’s action, the uncontroverted facts are that the bidding process was complied with.

2. The competitive bidding requirements of the universal service program are set out in 47 C.F.R. § 54.504. Section 54.504 requires school districts to seek competitive bids for the supported services in the application process for funding commitments. The first step in the application process is for the school district to file “Form 470” with the SLD. Form 470 provides

general information on the telecommunications services, internet services, and internal connections that an applicant is seeking to purchase. These applications are posted on the SLD Web Site for at least 28 days, during which time potential service providers can search and review them.

3. The Form 470 summarizes the services and products a school district has determined it may want to acquire, and is basically an advertisement for the applicant's technology procurement needs. The Form 470 also provides information about the school district such as a contact name, address and phone number; the type of applicant, either school, library, library consortium, or consortium of multiple entities; size of applicant's student body or library patron population; number of buildings to be served; and whether the applicant plans to make future purchases beyond those outlined in the form.

4. Once a potential provider identifies a school district as a potential customer and wants to bid on the services or products requested, the provider can contact the school district for further information and an RFP, if one had been prepared by the school district. While an RFP is not mandatory, if one is prepared, it must be provided upon request. The provider may submit a bid, and if the bid is accepted (following the 28-day bidding period), the applicant school district and the provider can contract for specific services. Upon the signing of a contract for eligible services, the school district submits a completed "Form 471" to SLD, who will then issue a commitment of support for the funding of the eligible service.

5. In this instance, MasterMind assisted the School Districts in the application process. Each School District stated in its Form 470 that a potential provider could contact the

School District directly, or “Chris Webber.” Chris Webber is an employee of MasterMind. No FCC rule prohibits an employee of MasterMind from being listed as a contact person, nor does Form 470 indicate otherwise. Form 470 only requires the names of persons who can answer questions about the application. Chris Webber was a person who could answer any questions. Webber Affidavit, para. 3.

6. During the bidding period, no potential bidder was denied a request for proposal of the School Districts, or any other information requested, or denied access to the School Districts. Webber Affidavit, para. 18. MasterMind was the successful bidder and entered into 116 contracts with the School Districts. These School Districts submitted the Form 471 to the SLD for funding commitments. SLD has subsequently issued its funding commitment reports denying the 116 applications which listed Chris Webber as a contact person, for the stated reason of “Bidding Violation.” The stated explanation for the denial was “The circumstances surrounding the filing of the Form 470 associated with this funding request violated the intent of the bidding process” (emphasis added).

7. The requirements for the competitive bidding process are very simple; the school district’s Form 470 is posted by the SLD on its web site, any requests for proposals prepared by the school district are made available to an inquiring vendor, and the school district carefully considers all bids submitted. Posting on the SLD web site meets the goal of competitive bidding process because it gives school districts wide access to all competing providers. Recent FCC decisions have stated that as long as new competitors have the opportunity to view and respond to Form 470 postings, and the school district considers all bonafide offers, the competitive

bidding rules have been satisfied. In this instance, the Form 470s were properly posted, potential providers had ample opportunity to view and respond to postings, and all bonafide offers were considered -- and SLD has never claimed to the contrary. *See Order, In the Matter of Request for Review of the Decision of the Universal Service Administrator by Objective Communications, Inc., Federal-State Joint Board on Universal Service, File No. SLD-1143454, CC Docket No. 96-45, 1999 WL 993503 (rel. Nov. 2, 1999); Order, In the Matter of Federal-State Joint Board on Universal Service, CC Docket 96-45, 1999 WL 680424 (rel. Sept. 1, 1999).* The competitive bidding process was fully complied with.

8. The stated reason for denial of funding commitments was that the bidding process conducted by the School Districts violated the “intent” of the competitive bidding standards. The example cited by SLD to MasterMind was that it was improper for the applications to list Chris Webber, an employee of MasterMind, as a contact person. *See Webber Affidavit*, para. 10. This vague and unsubstantiated rationale is completely arbitrary and unsupported by any FCC rule, and, unfortunately has placed in jeopardy the ability of the School Districts to utilize the benefits of this program. No FCC rule, or even an SLD publication (either at the time or now), prohibits the manner in which the applications were completed. In fact, listing prior service providers as contact persons for new applications is common practice. This situation is further exacerbated by the nature of the violation, Mr. Webber’s name appearing on the various forms. This incident was, at most, a simple clerical mistake that could have been avoided or corrected if the School Districts had known of such a requirement. Unfortunately, this supposed requirement was never disclosed by the SLD prior to the School Districts filing the Form 470s.



9. It appears that the SLD is in the process of developing new policy on this issue. This is apparent from a SLD publication which was disseminated to vendors at an SLD-sponsored vendor training session in Chicago on September 16-17, 1999, entitled "Form 470 Pitfalls." See Webber Affidavit, para. 11. This publication, however, was still in draft form and stated only that "forms signed by vendors' representatives will be rejected." It does not prohibit the listing of an employee of a vendor representative as a contact person. More importantly, this draft policy was developed after the forms had been submitted to the SLD by the School Districts. Further, on November 11, 1999, the SLD inserted on its web site a similar publication entitled "Pitfalls to Avoid When Filing the Form 470." See Webber Affidavit, para. 12. This publication is different than the September 16-17, 1999, draft, and states that "forms completed by vendor representatives will be rejected." It appears that MasterMind has been profiled as a test case for SLD's still-evolving policy.

10. The School Districts could not have been aware of this change in policy when the applications were filed, and cannot be held to the policy's new "requirement." See Order, In the Matter for Request of Review of the Decision of the Universal Service Administrator by Williamsburg-James City County Public Schools, Williamsburg, Virginia, File No. SLD-90495, CC Docket No. 96-45, 1999 WL 824713 (rel. Oct. 15, 1999); Order, In the Matter of Request for Review of the Decision of the Universal Service Administrator by Prairie City School District Prairie City, Oregon, File No. SLD-10577, CC Docket No. 96-45, 1999 WL 1005053 (rel. Nov. 5, 1999). In any event, MasterMind neither signed the forms nor completed the forms, as

this was done in all occasions by the representative of each respective school district. See Webber Affidavit, paras. 4 and 8.

11. On January 25, 1999, the SLD issued letters to the affected School Districts informing the School Districts that it had received "properly completed FCC Form 470." See Webber Affidavit, para. 5. On its face, this admission by SLD is contrary to its denial of funding. The only rational explanation is that at the time the Form 470s were submitted, the bidding process had been complied with. If SLD had informed the School Districts at this time that the applications had not been properly completed because Chris Webber was listed as a contact person, the applications could have been corrected and resubmitted. The School Districts have been denied this opportunity. See Order, In the Matter of Request for Review of the Decision of the Universal Service Administrator by Be'er Hagolah Institutes Brooklyn, New York, File No. SLD-108710, CC Docket No. 96-45, 1999 WL 969855 (rel. Oct. 25, 1999).

12. On November 19, 1999, representatives of SLD met with representatives of Senator James Inhofe's office to discuss the situation. At this meeting, SLD presented for the first time additional reasons why funding had been denied. The additional reasons for denial can be summarized as follows: 1) MasterMind supplied the RFP's used by many schools, which gives an appearance of a pre-existing condition; 2) MasterMind signed some of the Form 470s; and, 3) MasterMind provided identical RFP's which were flawed on their face. Even assuming these after-the-fact rationalizations can be considered official reasons for the denial of the funding, they are meritless.

13. In response to point number one above, MasterMind submits that supplying RFPs to the School Districts does not violate any FCC rule or SLD publication. Further, the appearance of a pre-existing relationship does not violate any bidding requirement. In fact, pre-existing contractual relationships are contemplated in the FCC rules. See Order, In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, 1999 WL 680424 (rel. Sept. 1, 1999). Finally, to disqualify a funding request because of the appearance of a pre-existing relationship would disqualify every funding application for contracts between school districts and vendors who provided eligible services in prior years. Such a ludicrous result was never contemplated in the FCC rules, or the federal act.

14. In response to point number two above, not one of the 116 applications that were denied funding by the SLD was signed by a representative of MasterMind.

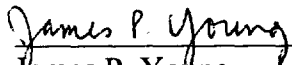
15. In response to point number three above, the Form 470s were properly completed, consistent with the requirements set out in 47 C.F.R. § 54.504(b)(1), and the sample forms posted on the SLD web site, and MasterMind demands strict proof that the Form 470s were deficient in any manner. MasterMind finds it curious that SLD makes this statement at the last hour, for the first time, without any proof or justification, and contrary to SLD's stated position in the receipt letters mailed to the School Districts.

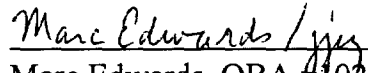
**D. Statement of Relief Sought**

1. MasterMind seeks review of the denial by the SLD for the funding of the 116 applications submitted by the School Districts and that the School Districts are entitled to full funding of the eligible services set forth in the applications.

Relief is sought pursuant to Sections 1-4 and 254 of the Communications Act of 1939,  
as amended, 47 U.S.C. §§ 151-154 and 254 and 47 C.F.R. §§ 54.704, 54.719, and 54.722.

Respectfully submitted,

  
James P. Young  
SIDLEY & AUSTIN  
1772 Eye Street N.W.  
Washington, D.C. 20006  
Telephone: (202) 736-8677

  
Marc Edwards, OBA #10281  
PHILLIPS McFALL McCaffrey  
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One Leadership Square, 12<sup>th</sup> Floor  
211 North Robinson  
Oklahoma City, Oklahoma 73102  
Telephone: 405-235-4100  
Facsimile: 405-235-4133

Attorneys for MasterMind

November 24, 1999

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing instrument was mailed postage prepaid thereon and by certified mail this 24<sup>th</sup> day of November, 1999, to:

Administrator  
Universal Services Administrative Co.  
c/o Ellen Wolfhagen  
Counsel  
USAC/Schools and Libraries Division  
2120 L Street, N.W., Suite 600  
Washington, D.C. 20037

MARC EDWARDS  
Marc Edwards

Before the Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
 )  
Request for Review ) CC Docket No. 96-45  
of the Decision of the )  
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MasterMind Internet Services, Inc. )

**AFFIDAVIT OF CHRIS WEBBER**

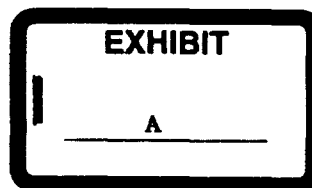
STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF TULSA )

Chris Webber, being first duly sworn, upon oath, states:

1. I am Chris Webber, director of E-Rate Services for MasterMind Internet Services, Inc. ("MasterMind"). I have reviewed the documents and information in this matter and attest to its truth, and am authorized to execute this Affidavit on behalf of MasterMind.

2. MasterMind has provided for the past three years internet and non-telecommunication services to numerous school districts in the State of Oklahoma under the universal service program of the Federal Telecommunications Act.

3. Starting on December 1st, 1998 and ending on March 9th, 1999, MasterMind assisted the school districts listed on Exhibit A-1 to this Affidavit ("School Districts") in their filing of FCC "Form 470" with the School and Libraries Division ("SLD") of the Universal Service Administrative Company. Chris Webber was listed as a contact person on the Form 470s.



4. At no time did anyone at MasterMind either sign the Form 470 or complete the Form 470 for the School Districts.

5. In January of 1999, after the Form 470s were filed by the School Districts, SLD sent to the School Districts a "Receipt Acknowledgement Letter" that stated among other things, that the SLD had received "your properly completed FCC Form 470." A sample letter received by all of the School Districts from the SLD is attached as Exhibit A-2.

6. Between April 1<sup>st</sup> and April 6<sup>th</sup>, 1999, MasterMind entered into approximately 300 contracts with school districts in the State of Oklahoma to provide E-rate eligible telecommunication and non-telecommunication services and products.

7. Upon execution of the contracts with MasterMind, the School Districts submitted to the SLD the FCC "Form 471" for approval of the funding for eligible services provided by MasterMind. the deadline for filing the Form 471s was April 6, 1999.

8. At no time did anyone at MasterMind either sign the Form 471, or complete the Form 471 for the School Districts.

9. On October 26, 1999, SLD notified the School Districts that the 116 applications for the funding of discounted eligible services provided by MasterMind had been denied for the stated reason: "The circumstances surrounding the filing of form 470 violated the intent of the competitive bidding process." A sample copy of the denial notice sent to all of the School Districts is attached as Exhibit A-3.

10. Based upon my conversation with David Gorbanoff of the program integrity team of SLD, in early September, 1999, I was led to believe that the reason for the denial of funding was because my name was listed by the School Districts as a contact person on the Form 470.

11. On September 16<sup>th</sup> through September 17<sup>th</sup>, 1999, I attended a vendor training session sponsored by SLD in Chicago, Illinois. At this training session, I received a draft SLD publication entitled "Form 470 Pitfalls." A copy of this draft publication is attached as Exhibit A-4.

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13. Further clarification of SLD's position was provided by Kate Moore, President of the Schools and Libraries Division, and Ellen Wolfhagen, General Counsel of the Schools and Libraries Division on November 19th, 1999 in a meeting in Washington, D.C. with Senator Jim Inhofe's office, a summary of which is attached as Exhibit A-5.

14. MasterMind did not have a pre-existing contractual relationship with all of the School Districts.

15. MasterMind is not seeking a review of the applications in which it signed any Form 470s.

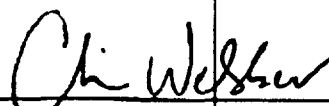
16. MasterMind did not provide identical requests for proposal documents.

17. MasterMind was never informed by SLD of any of the alleged problems with the submitted Form 470s as set forth in Exhibit A-5.

18. At no time during the bidding process was a vendor denied a request for proposal of a school district or any other requested information or access to any of the School Districts.



Further Affiant sayeth not.

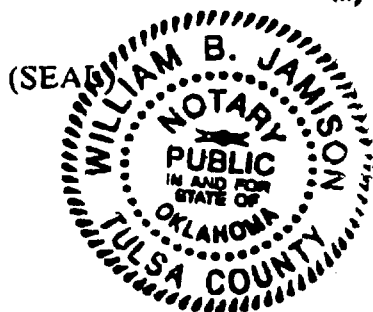
  
Chris Webber

Subscribed and sworn to before me this 23<sup>rd</sup> day of November, 1999, by Chris Webber.

  
Notary Public

My Commission Expires:

My Commission Expires 7-21-2001



# Y2 Funding Summary

Run date 11/18/99

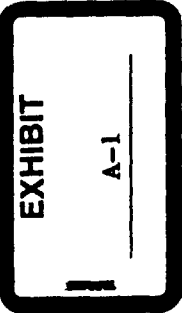
Page 2

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918 7430204;

Sent By: MASTERMIND INTERNET;

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscount cost Dis % |
|--|-------------------------------|-----------------|----------|---------------------|------------|---------------|---------------------------------|
| White Rock<br>App # 152589                     | Edumaster.net<br>FRN # 265200 | Internal Con    | 10/26/99 | No                  | \$0.00     | \$53,120.00   | .80                             |
| White Rock<br>App # 147414                     | Edumaster.net<br>FRN # 242773 | Internet Access | 11-9-99  | No                  | \$0.00     | \$53,250.00   | .80                             |
| White Rock<br>App # 147414                     | Edumaster.net<br>FRN # 242776 | Telco Svc       | 11-9-99  | No                  | \$0.00     | \$38,419.80   | .80                             |
| Afton Indep School District 28<br>App # 152763 | Edumaster.net<br>FRN # 265596 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$98,095.00   | .80                             |
| Agra School District 134<br>App # 152678       | Edumaster.net<br>FRN # 265608 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$69,270.00   | .90                             |
| Agra School District 134<br>App # 147466       | Edumaster.net<br>FRN # 242721 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .90                             |
| Agra School District 134<br>App # 147466       | Edumaster.net<br>FRN # 242726 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .90                             |
| Barnsdall School District<br>App # 152211      | Edumaster.net<br>FRN # 263225 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$73,395.00   | .72                             |
| Barnsdall School District<br>App # 146662      | Edumaster.net<br>FRN # 239293 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .72                             |
| Barnsdall School District<br>App # 146662      | Edumaster.net<br>FRN # 239294 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .72                             |
| Billings Indep School Dist 2<br>App # 152209   | Edumaster.net<br>FRN # 263207 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$103,820.00  | .86                             |
| Billings Indep School Dist 2<br>App # 146658   | Edumaster.net<br>FRN # 239273 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .80                             |
| Billings Indep School Dist 2<br>App # 146658   | Edumaster.net<br>FRN # 239280 | Telco Svc       | 10/26/99 | No                  | \$0.00     | \$38,419.80   | .80                             |



# Y2 Funding Summary

Run date 11/18/99

| School Name                                     | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscount cost Dis % |
|---|-------------------------------|-----------------|----------|---------------------|------------|---------------|---------------------------------|
| Blinger-Oney School Dist 168<br>App # 152205    | Edumaster.net<br>FRN # 263189 | Internet Con    | 10-26-99 | No                  | \$0.00     | \$85,620.00   | .83                             |
| Bishop School District C-049<br>App # 147461    | Edumaster.net<br>FRN # 242686 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .80                             |
| Bishop School District C-049<br>App # 147461    | Edumaster.net<br>FRN # 242695 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .80                             |
| Blair Indep School District 54<br>App # 147465  | Edumaster.net<br>FRN # 242746 | Internet Access | 10-26-99 | No                  | \$0.00     | \$30,750.00   | .74                             |
| Blair Indep School District 54<br>App # 147465  | Edumaster.net<br>FRN # 242744 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .74                             |
| Boynnton-Moton Indep Sch Dist 4<br>App # 152454 | Edumaster.net<br>FRN # 275052 | Internet Con    | 10-26-99 | No                  | \$0.00     | \$61,370.00   | .90                             |
| Bray-Doyle School Dist 142<br>App # 152676      | Edumaster.net<br>FRN # 265599 | Internet Con    | 10-26-99 | No                  | \$0.00     | \$102,238.75  | .90                             |
| Bray-Doyle School Dist 142<br>App # 147473      | Edumaster.net<br>FRN # 242771 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .80                             |
| Bray-Doyle School Dist 142<br>App # 147473      | Edumaster.net<br>FRN # 242774 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .80                             |
| Carnegie Indep Sch District 33<br>App # 148151  | Edumaster.net<br>FRN # 245603 | Internet Access | 10-26-99 | No                  | \$0.00     | \$58,200.00   | .85                             |
| Carnegie Indep Sch District 33<br>App # 148151  | Edumaster.net<br>FRN # 245605 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .85                             |
| Carter Indep School Dist 50<br>App # 152619     | Edumaster.net<br>FRN # 265332 | Internet Con    | 10-26-99 | No                  | \$0.00     | \$76,995.00   | .80                             |
| Carter Indep School Dist 50<br>App # 147339     | Edumaster.net<br>FRN # 241940 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .80                             |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscount cost Dis % |
|--|-------------------------------|-----------------|----------|---------------------|------------|---------------|---------------------------------|
| Carter Indep School Dist 50<br>App # 147339    | Edumaster.net<br>FRN # 241942 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .80                             |
| Catoosa Indep School Dist 2<br>App # 152652    | Edumaster.net<br>FRN # 265495 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$196,505.00  | .61                             |
| Coalgate Indep School Dist 1<br>App # 152674   | Edumaster.net<br>FRN # 265597 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$102,220.00  | .81                             |
| Coalgate Indep School Dist 1<br>App # 147474   | Edumaster.net<br>FRN # 242778 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .81                             |
| Coalgate Indep School Dist 1<br>App # 147474   | Edumaster.net<br>FRN # 242781 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .81                             |
| Commerce Public Schools<br>App # 152343        | Edumaster.net<br>FRN # 263985 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$90,500.00   | .87                             |
| Cordell Indep School Dist 78<br>App # 152293   | Edumaster.net<br>FRN # 263705 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$90,110.00   | .78                             |
| Darlington School District 70<br>App # 152301  | Edumaster.net<br>FRN # 263723 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$53,620.00   | .90                             |
| Davis Indep School District 10<br>App # 152307 | Edumaster.net<br>FRN # 263743 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$133,285.00  | .74                             |
| Davis Indep School District 10<br>App # 152307 | Edumaster.net<br>FRN # 263745 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$24,695.00   | .80                             |
| Dickson Indep School Dist 77<br>App # 152199   | Edumaster.net<br>FRN # 263169 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$149,235.00  | .72                             |
| Dickson Indep School Dist 77<br>App # 146722   | Edumaster.net<br>FRN # 239444 | Internet Access | 10-26-99 | No                  | \$0.00     | \$54,900.00   | .72                             |
| Dickson Indep School Dist 77<br>App # 148722   | Edumaster.net<br>FRN # 239450 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .72                             |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded<br>Yes/No | Funded Amt | Pre Disc<br>Cost | Modified<br>Prediscount<br>cost Dis % |
|--|-------------------------------|-----------------|----------|------------------------|------------|------------------|---------------------------------------|
| Drumright Indep School Dist 39<br>App # 152200 | Edumaster.net<br>FRN # 263181 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$94,340.00      | .79                                   |
| Drumright Indep School Dist 39<br>App # 152200 | Edumaster.net<br>FRN # 263184 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$26,085.00      | .90                                   |
| Eakly Indep School Dist 132<br>App # 152625    | Edumaster.net<br>FRN # 265416 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$43,682.50      | .80                                   |
| Eldorado Indep School Dist 25<br>App # 152368  | Edumaster.net<br>FRN # 264211 | Internal Con    | 11-2-99  | No                     | \$0.00     | \$70,320.00      | .85                                   |
| Fairland Indep School Dist 31<br>App # 146991  | Edumaster.net<br>FRN # 240666 | Internet Access | 10/26/99 | No                     | \$0.00     | \$53,250.00      | .77                                   |
| Fairland Indep School Dist 31<br>App # 146991  | Edumaster.net<br>FRN # 240668 | Telco Svc       | 10/26/99 | No                     | \$0.00     | \$38,419.80      | .77                                   |
| Forrest Grove School District<br>App # 152380  | Edumaster.net<br>FRN # 264259 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$65,870.00      | .90                                   |
| Fort Cobb-Broxtom Sch Dist 167<br>App # 152376 | Edumaster.net<br>FRN # 264243 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$80,870.00      | .85                                   |
| Glencoe Indep School Dist 101<br>App # 146989  | Edumaster.net<br>FRN # 240651 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .76                                   |
| Glencoe Indep School Dist 101<br>App # 146989  | Edumaster.net<br>FRN # 240653 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .76                                   |
| Gracemont Indep School Dist 86<br>App # 146987 | Edumaster.net<br>FRN # 240637 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .80                                   |
| Gracemont Indep School Dist 86<br>App # 146987 | Edumaster.net<br>FRN # 240640 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .80                                   |
| Grandview School District 82<br>App # 147175   | Edumaster.net<br>FRN # 241375 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .90                                   |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscount cost | Dis % |
|--|-------------------------------|-----------------|----------|---------------------|------------|---------------|---------------------------|-------|
| Grandview School District 82<br>App # 147175   | Edumaster.net<br>FRN # 241379 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   |                           | .90   |
| Granite Indep School Dist 3<br>App # 152472    | Edumaster.net<br>FRN # 284662 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$103,950.00  |                           | .80   |
| Granite Indep School Dist 3<br>App # 147198    | Edumaster.net<br>FRN # 241445 | Internet Access | 10/26/99 | No                  | \$0.00     | \$30,750.00   |                           | .80   |
| Granite Indep School Dist 3<br>App # 147196    | Edumaster.net<br>FRN # 241453 | Telco Svc       | 10/26/99 | No                  | \$0.00     | \$38,419.80   |                           | .80   |
| Greenville School District 3<br>App # 147387   | Edumaster.net<br>FRN # 242244 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   |                           | .90   |
| Greenville School District 3<br>App # 147387   | Edumaster.net<br>FRN # 242247 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   |                           | .90   |
| Harrah Indep School District 7<br>App # 152655 | Edumaster.net<br>FRN # 265517 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$24,695.00   |                           | .80   |
| Harrah Indep School District 7<br>App # 152655 | Edumaster.net<br>FRN # 265518 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$92,495.00   |                           | .74   |
| Harrah Indep School District 7<br>App # 147391 | Edumaster.net<br>FRN # 242285 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   |                           | .71   |
| Harrah Indep School District 7<br>App # 147391 | Edumaster.net<br>FRN # 242288 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   |                           | .71   |
| Healdton Indep Sch District 55<br>App # 152654 | Edumaster.net<br>FRN # 265508 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$119,500.00  |                           | .73   |
| Healdton Indep Sch District 55<br>App # 152654 | Edumaster.net<br>FRN # 265508 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$27,475.00   |                           | .80   |
| Healdton Indep Sch District 55<br>App # 147393 | Edumaster.net<br>FRN # 242341 | Internet Access | 10/26/99 | No                  | \$0.00     | \$58,750.00   |                           | .73   |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscount cost Dis % |
|--|-------------------------------|-----------------|----------|---------------------|------------|---------------|---------------------------------|
| Healdton Indep Sch District 55<br>App # 147393 | Edumaster.net<br>FRN # 242342 | Telco Svc       | 10/26/99 | No                  | \$0.00     | \$38,419.80   | .73                             |
| Hinton Indep School Dist 161<br>App # 152627   | Edumaster.net<br>FRN # 265402 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$86,095.00   | .78                             |
| Hobart Indep School Dist 11<br>App # 152630    | Edumaster.net<br>FRN # 265408 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$137,920.00  | .77                             |
| Hobart Indep School Dist 11<br>App # 147347    | Edumaster.net<br>FRN # 242008 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .77                             |
| Hobart Indep School Dist 11<br>App # 147347    | Edumaster.net<br>FRN # 242010 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .77                             |
| Jennings School District 2<br>App # 147346     | Edumaster.net<br>FRN # 241990 | Internet Access | 10/26/99 | No                  | \$0.00     | \$53,250.00   | .80                             |
| Jennings School District 2<br>App # 147346     | Edumaster.net<br>FRN # 241994 | Telco Svc       | 10/26/99 | No                  | \$0.00     | \$38,419.80   | .80                             |
| Kelchum Indep School Dist 6<br>App # 152475    | Edumaster.net<br>FRN # 264682 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$106,420.00  | .83                             |
| Keystone School District 15<br>App # 152461    | Edumaster.net<br>FRN # 282553 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$77,620.00   | .80                             |
| Kildare School District<br>App # 147159        | Edumaster.net<br>FRN # 241303 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .70                             |
| Kildare School District<br>App # 147159        | Edumaster.net<br>FRN # 241309 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .70                             |
| Liberty School District Coe 9<br>App # 152195  | Edumaster.net<br>FRN # 263137 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$71,645.00   | .80                             |
| Liberty School District Coe 9<br>App # 146647  | Edumaster.net<br>FRN # 239228 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .80                             |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded<br>Yes/No | Funded Amt | Pre Disc<br>Cost | Modified<br>Prediscount<br>cost Dis % |
|--|-------------------------------|-----------------|----------|------------------------|------------|------------------|---------------------------------------|
| Liberty School District Coo 9<br>App # 146647  | Edumaster.net<br>FRN # 239233 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .80                                   |
| Locusl Grove School Dist 17<br>App # 152479    | Edumaster.net<br>FRN # 264707 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$194,835.00     | .77                                   |
| Locusl Grove School Dist 17<br>App # 147205    | Edumaster.net<br>FRN # 241483 | Internet Access | 10/26/99 | No                     | \$0.00     | \$58,550.00      | .77                                   |
| Locusl Grove School Dist 17<br>App # 147205    | Edumaster.net<br>FRN # 241490 | Telco Svc       | 10/26/99 | No                     | \$0.00     | \$38,419.80      | .77                                   |
| Lone Wolf Indep School Dist 2<br>App # 152463  | Edumaster.net<br>FRN # 264638 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$99,682.50      | .80                                   |
| Lowrey School District 10<br>App # 152314      | Edumaster.net<br>FRN # 263753 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$59,495.00      | .90                                   |
| Macomb Indep School District 4<br>App # 152315 | Edumaster.net<br>FRN # 263755 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$119,982.50     | .80                                   |
| Mannsville School District 7<br>App # 152480   | Edumaster.net<br>FRN # 264704 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$59,495.00      | .80                                   |
| Mannsville School District 7<br>App # 147202   | Edumaster.net<br>FRN # 241475 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .80                                   |
| Mannsville School District 7<br>App # 147202   | Edumaster.net<br>FRN # 241479 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .80                                   |
| Marietta Indep Sch District 16<br>App # 152486 | Edumaster.net<br>FRN # 264733 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$111,900.00     | .71                                   |
| Marietta Indep Sch District 16<br>App # 152486 | Edumaster.net<br>FRN # 264740 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$24,695.00      | .80                                   |
| Maryetta School District 22<br>App # 152492    | Edumaster.net<br>FRN # 264741 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$80,120.00      | .90                                   |



# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded<br>Yes/No | Funded Amt | Pre Disc<br>Cost | Modified<br>Prediscount<br>cost Dis % |
|--|-------------------------------|-----------------|----------|------------------------|------------|------------------|---------------------------------------|
| Mason Indep School District 2<br>App # 152065  | Edumaster.net<br>FRN # 262423 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$65,870.00      | .90                                   |
| Maysville Indep School Dist<br>App # 152510    | Edumaster.net<br>FRN # 264847 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$77,870.00      | .77                                   |
| McCord School District 77<br>App # 145906      | Edumaster.net<br>FRN # 236435 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .80                                   |
| McCord School District 77<br>App # 145906      | Edumaster.net<br>FRN # 236443 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .80                                   |
| Meeker Indep School Dist IO-95<br>App # 146649 | Edumaster.net<br>FRN # 239239 | Internet Access | 10-26-99 | No                     | \$0.00     | \$58,550.00      | .88                                   |
| Meeker Indep School Dist IO-95<br>App # 146649 | Edumaster.net<br>FRN # 239245 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .66                                   |
| Miami Indep School District 23<br>App # 152273 | Edumaster.net<br>FRN # 263647 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$251,535.00     | .74                                   |
| Millwood Indep School Dist 37<br>App # 152213  | Edumaster.net<br>FRN # 263227 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$209,020.00     | .90                                   |
| Millwood Indep School Dist 37<br>App # 146648  | Edumaster.net<br>FRN # 239247 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .90                                   |
| Millwood Indep School Dist 37<br>App # 146648  | Edumaster.net<br>FRN # 239252 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .90                                   |
| Moffett School District 68<br>App # 152251     | Edumaster.net<br>FRN # 263510 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$82,820.00      | .90                                   |
| Morrison Indep School Dist 6<br>App # 152363   | Edumaster.net<br>FRN # 264143 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$136,608.60     | .90                                   |
| Mountain View-Golebo Dist 003<br>App # 152222  | Edumaster.net<br>FRN # 263406 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$86,510.00      | .80                                   |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscout cost Dis % |
|--|-------------------------------|-----------------|----------|---------------------|------------|---------------|--------------------------------|
| Navajo Indep School District 1<br>App # 152385 | Edumaster.net<br>FRN # 264373 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$121,332.50  | .87                            |
| Navajo Indep School District 1<br>App # 146988 | Edumaster.net<br>FRN # 240645 | Internet Access | 10-26-99 | No                  | \$0.00     | \$30,750.00   | .67                            |
| Newkirk Indep School Dist 29<br>App # 147184   | Edumaster.net<br>FRN # 241404 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .71                            |
| Newkirk Indep School Dist 29<br>App # 147184   | Edumaster.net<br>FRN # 241407 | Telco Svc       | 10/26/99 | No                  | \$0.00     | \$38,419.80   | .71                            |
| Noble Indep School District<br>App # 147189    | Edumaster.net<br>FRN # 241432 | Internet Access | 10-26-99 | No                  | \$0.00     | \$63,625.00   | .65                            |
| Noble Indep School District<br>App # 147189    | Edumaster.net<br>FRN # 241438 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .65                            |
| Oilton Indep School Dist 20<br>App # 152087    | Edumaster.net<br>FRN # 262436 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$82,691.25   | .90                            |
| Oilton Indep School Dist 20<br>App # 145911    | Edumaster.net<br>FRN # 236461 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .87                            |
| Oilton Indep School Dist 20<br>App # 145911    | Edumaster.net<br>FRN # 236467 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .87                            |
| Oklahoma Union Indep School<br>District 151351 | Edumaster.net<br>FRN # 258492 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$67,745.00   | .76                            |
| Oklahoma Union Indep School<br>District 151352 | Edumaster.net<br>FRN # 258495 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .76                            |
| Oklahoma Union Indep School<br>District 151352 | Edumaster.net<br>FRN # 258497 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .76                            |
| Olustee Indep School Dist 35<br>App # 152484   | Edumaster.net<br>FRN # 264715 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$68,870.00   | .87                            |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded Yes/No | Funded Amt | Pre Disc Cost | Modified Prediscount cost Dis % |
|--|-------------------------------|-----------------|----------|---------------------|------------|---------------|---------------------------------|
| Pawhuska Indep School Dist 2<br>App # 152268   | Edumaster.net<br>FRN # 263603 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$106,384.00  | .77                             |
| Pawhuska Public Library<br>App # 145901        | Edumaster.net<br>FRN # 236412 | Internet Access | 10-26-99 | No                  | \$0.00     | \$30,290.00   | .77                             |
| Picher-Cardin Ind Sch Dist 15<br>App # 152275  | Edumaster.net<br>FRN # 263678 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$100,837.00  | .87                             |
| Pine Indep School District 50<br>App # 152014  | Edumaster.net<br>FRN # 262121 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$60,620.00   | .77                             |
| Quapaw Indep School Dist 14<br>App # 152540    | Edumaster.net<br>FRN # 264992 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$89,020.00   | .80                             |
| Quinton Indep School Dist 17<br>App # 152530   | Edumaster.net<br>FRN # 264982 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$89,270.00   | .87                             |
| Ravia School District 10<br>App # 147416       | Edumaster.net<br>FRN # 242389 | Internet Access | 10-26-99 | No                  | \$0.00     | \$53,250.00   | .90                             |
| Ravia School District 10<br>App # 147416       | Edumaster.net<br>FRN # 242390 | Telco Svc       | 10-26-99 | No                  | \$0.00     | \$38,419.80   | .90                             |
| Ringling Indep Sch District 14<br>App # 152582 | Edumaster.net<br>FRN # 265188 | Internal Con    | 10/26/99 | No                  | \$0.00     | \$102,095.00  | .80                             |
| Ripley Indep School Dist 13<br>App # 152192    | Edumaster.net<br>FRN # 264727 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$74,170.00   | .80                             |
| Riverside School District 29<br>App # 152815   | Edumaster.net<br>FRN # 266936 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$58,370.00   | .60                             |
| Schuller Indep School Dist 6<br>App # 152816   | Edumaster.net<br>FRN # 266953 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$72,495.00   | .80                             |
| Skiatook Indep School Dist 7<br>App # 152622   | Edumaster.net<br>FRN # 265387 | Internal Con    | 10-26-99 | No                  | \$0.00     | \$100,425.00  | .60                             |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded<br>Yes/No | Funded Amt | Pre Disc<br>Cost | Modified<br>Prediscount<br>cost Dis % |
|--|-------------------------------|-----------------|----------|------------------------|------------|------------------|---------------------------------------|
| Skialook Indep School Dst 7<br>App # 152822    | Edumaster.net<br>FRN # 265393 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$38,875.00      | .80                                   |
| South Coffeyville District 51<br>App # 152624  | Edumaster.net<br>FRN # 265421 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$78,045.00      | .80                                   |
| South Coffeyville District 51<br>App # 147349  | Edumaster.net<br>FRN # 242088 | Internet Access | 10-26-99 | No                     | \$0.00     | \$64,900.00      | .80                                   |
| South Coffeyville District 51<br>App # 147349  | Edumaster.net<br>FRN # 242083 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .80                                   |
| Standing T.A.L.L.<br>App # 152923              | Edumaster.net<br>FRN # 293881 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$22,080.00      | .78                                   |
| Taloga Indep School Dist 10<br>App # 146646    | Edumaster.net<br>FRN # 239232 | Internet Access | 10/26/99 | No                     | \$0.00     | \$53,250.00      | .70                                   |
| Taloga Indep School Dist 10<br>App # 146646    | Edumaster.net<br>FRN # 239236 | Telco Svc       | 10/26/99 | No                     | \$0.00     | \$38,419.80      | .70                                   |
| Tuttle Indep School Dist 97<br>App # 152807    | Edumaster.net<br>FRN # 266890 | Internal Con    | 10/26/99 | No                     | \$0.00     | \$168,075.00     | .57                                   |
| Twin Hills School District II<br>App # 152814  | Edumaster.net<br>FRN # 266937 | Internal Con    | 11-2-99  | No                     | \$0.00     | \$64,770.00      | .80                                   |
| Union City Indep Sch Dist 57<br>App # 152808   | Edumaster.net<br>FRN # 266884 | Internal Con    | 10/26/99 | No                     | \$0.00     | \$74,435.00      | .58                                   |
| Wainwright School District 9<br>App # 146882   | Edumaster.net<br>FRN # 239999 | Internet Access | 10/26/99 | No                     | \$0.00     | \$53,250.00      | .80                                   |
| Wainwright School District 9<br>App # 146882   | Edumaster.net<br>FRN # 240003 | Telco Svc       | 10/26/99 | No                     | \$0.00     | \$38,419.80      | .80                                   |
| Wanette Indep Sch District 115<br>App # 152316 | Edumaster.net<br>FRN # 263757 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$89,282.50      | .90                                   |

# Y2 Funding Summary

Run date 11/18/99

| School Name                                    | Service Provider              | Svc Ordered     | FCL Date | Fully funded<br>Yes/No | Funded Amt | Pre Disc<br>Cost | Modified<br>Prediscount<br>cost Dis % |
|--|-------------------------------|-----------------|----------|------------------------|------------|------------------|---------------------------------------|
| Webbers Falls School Dist 16<br>App # 152580   | Edumaster.net<br>FRN # 265187 | Internal Con    | 10/26/99 | No                     | \$0.00     | \$83,657.50      | .85                                   |
| Wellston Indep School Dist 4<br>App # 152320   | Edumaster.net<br>FRN # 263789 | Internal Con    | 10/26/99 | No                     | \$0.00     | \$75,245.00      | .70                                   |
| Wellston Indep School Dist 4<br>App # 146888   | Edumaster.net<br>FRN # 240033 | Internet Access | 10/26/99 | No                     | \$0.00     | \$54,900.00      | .70                                   |
| Wellston Indep School Dist 4<br>App # 146888   | Edumaster.net<br>FRN # 240037 | Telco Svc       | 10/26/99 | No                     | \$0.00     | \$38,419.80      | .70                                   |
| Wetumka Indep School Dist 5<br>App # 152318    | Edumaster.net<br>FRN # 263781 | Internal Con    | 10/26/99 | No                     | \$0.00     | \$72,725.00      | .80                                   |
| White Oak Indep School Dist 1<br>App # 152360  | Edumaster.net<br>FRN # 264128 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$69,745.00      | .90                                   |
| White Oak Indep School Dist 1<br>App # 146896  | Edumaster.net<br>FRN # 240073 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .90                                   |
| White Oak Indep School Dist 1<br>App # 146896  | Edumaster.net<br>FRN # 240075 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .90                                   |
| Wilson Indep School District 7<br>App # 147412 | Edumaster.net<br>FRN # 242379 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .78                                   |
| Wilson Indep School District 7<br>App # 147412 | Edumaster.net<br>FRN # 242380 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .78                                   |
| Wynona Indep School Dist 30<br>App # 147318    | Edumaster.net<br>FRN # 241845 | Internet Access | 10-26-99 | No                     | \$0.00     | \$53,250.00      | .87                                   |
| Wynona Indep School Dist 30<br>App # 147318    | Edumaster.net<br>FRN # 241847 | Telco Svc       | 10-26-99 | No                     | \$0.00     | \$38,419.80      | .87                                   |
| Zaneis School District 72<br>App # 152813      | Edumaster.net<br>FRN # 266930 | Internal Con    | 10-26-99 | No                     | \$0.00     | \$46,395.00      | .80                                   |



Box 125 - Correspondence Unit  
100 South Jefferson Road  
Whippany, NJ 07981

1999-00

AGRA INDEP SCHOOL DISTRICT 134-  
Chris Wedder  
112 S MAIN  
AGRA, OK 74024-0279

DATE: 01/25/1999

**Important Notice from  
The Schools and Libraries Corporation  
about your Form 470 Application**

We are pleased to inform you that the Schools and Libraries Corporation (SLC) has received your properly completed FCC Form 470, Description of Services Requested. This letter provides important information about the processing of your Form 470 application. Please read this letter carefully and retain it for your records and future reference.

The SLC has assigned the following Universal Service Control Number (USCN) to your FCC Form 470: 315740000118149. Please record this number in a safe place. The USCN is used to track your Form 470, and it must be provided when completing a FCC Form 471, Services Ordered and Certification Form, that is based upon your Form 470 application. Any Form 471 applicant that intends to rely upon your Form 470 application must know the USCN for this application, and must be expressly listed in the Form 470 application in Item (19) of that Form. You may wish to share the USCN for your Form 470 application with those schools and/or libraries that are listed in Item (19) of your application to assist in their preparation of Form 471 applications.

The next step in the application process is the completion of a FCC Form 471 application, Services Ordered and Certification Form. FCC rules require that requests for new services be posted on the SLC Web Site for a period of 28 days before you enter into and sign any contracts with service providers. Your application was posted by the SLC on 12/14/1998. Accordingly, a contract or contracts may be signed for requested services on or after 01/11/1999. The SLC will be prepared on that date to receive your Form(s) 471. A properly completed Form 471, with a signed Form 471 certification, must be received by the SLC no later than 03/11/1999 in order to meet the SLC 100-day window. If the earliest allowable submission date is after the window date, your application will not be considered together with those received within the window.

A properly completed certification for your Form 470 has not been received. Please keep in mind that, while you may have mailed your signed, hard-copy certification, the SLC may not have received and processed it or your certification may not have been properly completed, in which case the SLC has not accepted it. Please view your Form 470 on the SLC Web Site [www.slcfund.org](http://www.slcfund.org) to determine whether your certification has been processed or call the SLC Client Service Bureau at 888-203-8100 and have your USCN ready for the service representative. SLC acceptance of your certification must occur before the closing of the application window in order for you to be eligible for consideration within the window.

It is important to remember that not all requested services may necessarily be approved for discounts. Your application is subject to review by the SLC for a determination of funding eligibility before funds are committed. (This review will consider all program rules including eligibility of discount recipients and the eligibility of services for which discounts are requested.) In addition, availability of funds will be a factor in funding decisions. Therefore, you should consider the possibility of a denial of funding or a level of funding below your request, and include appropriate contingencies in contracts for any or all of the requested services.

If you have any questions, please call the SLC Client Service Bureau at 888-203-8100.

EXHIBIT

A-2

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000147466

Funding Request Number: 0000242721      Funding Status: Unfunded or Denied  
SPIN: 143006149      Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Center  
Provider Contract Number: 200038  
Services Ordered: Internet Access  
Earliest Possible Effective Date of Discount: 07/01/1999  
Contract Expiration Date: 06/30/2000  
Pre-discount Cost: \$53,250.00  
Discount Percentage Approved by the SLD: N/A  
Funding Commitment Decision: \$0.00 - Bidding Violation  
Funding Commitment Decision Explanation: The circumstances surrounding the filing of the form 470 associated with this funding request violated the intent of the bidding process.

Funding Request Number: 0000242726      Funding Status: Unfunded or Denied  
SPIN: 143006149      Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Center  
Provider Contract Number: 200040  
Services Ordered: Telecommunications Services  
Earliest Possible Effective Date of Discount: 07/01/1999  
Contract Expiration Date: 06/30/2000  
Pre-discount Cost: \$38,419.80  
Discount Percentage Approved by the SLD: N/A  
Funding Commitment Decision: \$0.00 - Bidding Violation  
Funding Commitment Decision Explanation: The circumstances surrounding the filing of the form 470 associated with this funding request violated the intent of the bidding process.

Funding Request Number: 0000242736      Funding Status: Funded  
SPIN: 143001192      Service Provider Name: AT&T Corp.  
Provider Contract Number: T  
Services Ordered: Telecommunications Services  
Earliest Possible Effective Date of Discount: 07/01/1999  
Contract Expiration Date: N/A  
Pre-discount Cost: \$2,065.32  
Discount Percentage Approved by the SLD: 90%  
Funding Commitment Decision: \$1,858.79 - 471 approved as submitted

Funding Request Number: 0000242737      Funding Status: Unfunded or Denied  
SPIN: 143002377      Service Provider Name: Central Oklahoma Tel. Co.  
Provider Contract Number: T  
Services Ordered: Telecommunications Services  
Earliest Possible Effective Date of Discount: 07/01/1999  
Contract Expiration Date: N/A  
Pre-discount Cost: \$4,816.20  
Discount Percentage Approved by the SLD: N/A  
Funding Commitment Decision: \$0.00 - Incl. svcs./ or product(s)  
Funding Commitment Decision Explanation: 30% or more of this FRN includes a request for telephone sets and paging system which is an ineligible product(s)/service(s) based on program rules.

Funding Request Number: 0000242740      Funding Status: Funded  
SPIN: 143002377      Service Provider Name: Central Oklahoma Tel. Co.  
Provider Contract Number: T  
Services Ordered: Telecommunications Services  
Earliest Possible Effective Date of Discount: 07/01/1999  
Contract Expiration Date: N/A  
Pre-discount Cost: \$6,060.00  
Discount Percentage Approved by the SLD: 90%  
Funding Commitment Decision: \$5,454.00 - FRN approved; modified by SLD  
Funding Commitment Decision Explanation: The estimated one time and/or monthly charge was changed to reflect the documentation provided by the applicant.

EXHIBIT

A-3

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000147466

Funding Request Number: 0000291277      Funding Status: Funded  
SPIN: 143000417      Service Provider Name: OK - 3 Cellular, Inc.  
Provider Contract Number: 70050596  
Services Ordered: Telecommunications Services  
Earliest Possible Effective Date of Discount: 07/01/1999  
Contract Expiration Date: 06/30/2000  
Pre-discount Cost: \$190.68  
Discount Percentage Approved by the SLD: 90%  
Funding Commitment Decision: \$171.61 - 471 approved as submitted



## Form 470 Pitfalls

This document is designed to notify you of some of the common pitfalls experienced in previous funding years as applicants complete FCC Form 470.

### Free Service Advisory

The SLD is aware that some vendors have offered price reductions or promotional offers for services in addition to the discounts available from the Schools and Libraries Universal Service Program. We are pleased that vendors are increasing the ability of schools and libraries to acquire the services that they need to make effective use of technology. However, we want to remind applicants and vendors that the value of these price reductions/promotional offers must be applied **before** the vendor submits the bid for the pre-discount cost. The pre-discount cost is the basis upon which funding requests will be made by Form 471 applicants. The value of all price reductions or promotional offers must be deducted from the cost of service to the applicant to establish the applicant's pre-discount cost. In other words, the Universal Service Program "Pre-Discount Cost" that will appear in Columns 8, 9, and 10 of Items 15 and 16 on FCC Form 471 must take into account all vendor price reductions.

For example, if a vendor informs an applicant that its best regular price is \$100, but that it will also offer the applicant a 20% price reduction, then the pre-discount cost to be included on Form 471 is \$80. The applicant's universal service discount will be applied to this \$80 pre-discount cost. The vendor and applicant **cannot** use the \$100 price as the pre-discount cost to be used for computing the Schools and Libraries Universal Service Program funding, and then have the vendor convey the additional 20% price reduction to the applicant's non-discounted portion of the cost. In other words, all vendor discounts must be reflected in the competitive bid price offered in response to a Form 470 posting. The SLD will be reviewing applications to assure that the FCC rules on competitive bids and lowest corresponding price are complied with fully. If the SLD determines that a request in Column 10 of Items 15 or 16 features a pre-discount cost where the value of vendor price reductions/promotional offers has not already been deducted, the SLD will deny the request for such services.

### What Exactly Is "Most Cost Effective?"

We also want to remind all Form 471 applicants that when examining their bids for eligible services, the applicant must select the most cost-effective bid. This means that the price should be the primary factor, but does not have to be the sole factor, in evaluating the bids. Other relevant factors may include: prior experience including past performance; personnel qualifications including technical excellence; management capability including schedule compliance, and environmental objectives. The value or price competitiveness of services or products that are ineligible for universal service discounts **cannot** be factored into the evaluation of the most cost-effective supplier of eligible services.

For example, Vendor A offers a price for eligible services of \$1,000. Vendor B offers a price for the same services for \$1,200 dollars, but this price also includes ineligible services valued at \$300 in that price (at no additional cost to the applicant). The value of this "free" software or hardware cannot be factored into the evaluation of the most cost-effective supplier of eligible services. All other things being equal, Vendor A is offering the most cost-effective bid for services eligible for a universal service discount.

### Completing FCC Form 470

Many service providers offer to complete the E-rate forms for their clients. It is important to remember that applicants, and only applicants can complete the Form 470. The SLD views the completion of Forms 470 by service providers to be a violation of the competitive bidding requirements of the program, as it appears that the applicant has a pre-existing relationship with the vendor which compromises the open and fair quality of the competition that is the subject of the Form 470. As a result, ~~and thus those~~ Forms signed by vendor representatives will be ~~are~~ rejected.

EXHIBIT

A-4

11/19/99 FRI 17:56 FAX 202 228 1007

SEN JAMES INHOFE

PAGE 002  
2/2**USAC**  
UNIVERSAL SERVICE  
ADMINISTRATIVE CO.2130 L Street, N.W., Suite 600  
Washington, D.C. 20037  
Voice: (202) 778-0800 Fax: (202) 778-0080**SCHOOLS & LIBRARIES DIVISION**Ellen Wothagen  
Counsel  
ewothagen@univservice.org

November 19, 1999

Mr. Chris Webber  
MasterMind  
1217 East 45<sup>th</sup> Street  
Tulsa, Oklahoma 74105

Dear Mr. Webber:

The purpose of this letter is to provide some clarification and further explanation, at the request of Senator Inhofe, of the recent denials that were issued for Schools and Libraries Program applications filed by Oklahoma schools which indicated MasterMind as a service provider.

The denial reason provided in your letter stated: "The circumstances of the filing of the Form 470 violated the intent of the bidding process." I would like to amplify those circumstances, which led to the denial.

- MasterMind supplied the Request for Proposal used by many of the schools.  
This violates the competitive bidding rules because it gives the appearance that MasterMind had a pre-existing relationship with the applicants. Such appearance compromises the open and fair nature of the competitive bidding process.
- MasterMind, as the signer of some of the Forms 470 received the bids from other vendors.  
This violates the competitive bidding rules because some vendors may alter their bids or refrain from bidding at all if they have reservations about submitting their bids (which usually contain proprietary pricing information) to a competitor (or even a vendor in a different line of business). Again, this compromises the competitive bidding process.
- MasterMind provided identical Request for Proposal (RFP) documents, which were flawed on their face.  
This violates the competitive bidding rules because the lack of tailoring of the RFP made it insufficiently specific to allow bidders to understand what exactly would be required. This, as well as other deficiencies, such as lack of a required response date or sufficient indication about who was requesting the services, resulted in a flawed document.

I hope this further information is helpful to you. Please feel free to contact me directly if you have any additional questions.

Sincerely,

Ellen Wothagen  
Counsel  
USAC/Schools and Libraries Division

Cc: Senator Inhofe

**EXHIBIT**

A-5